

## **Procedures for Annual Adjustments Montgomery County**

### **Residential**

- Step 1: The Residential land values were trended by sales of vacant land within the neighborhood. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. Due to lack of vacant land sales, all vacant land sales were grouped together. Only one neighborhoods land values were changed. Values were adjusted using trending factors no base rates were changed.
- Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the dwelling of the property to raise or lower the values to an acceptable median level. If there were no sales in the neighborhood, then consideration was given to homes for sale in the neighborhood or the neighborhood was trended using similar neighborhoods or a township trending factor.
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

### **Commercial / Industrial**

- Step 1: The C/I land values were trended by sales of vacant land within the neighborhood. Due to an insufficient number of vacant land sales in Montgomery County, the commercial and industrial vacant land sales were grouped together. There were still not enough sales dating back to 2007 to change the current trending factor.
- The land values for rural commercial and industrial properties were trended with the same factor applied to the residential land.
- Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. Due to the limited amount of sales, the trending was expanded to county wide. There was adjustments made to seven of the neighborhoods.
- For income producing properties, income data sheets were mailed out and GRM's or capitalization of income was used to assist in determining the values.
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.